levels and during the visit of Raksha Mantri in October 2007. Russian side has assured full supoort for indigenous production of T-90 tanks in India.

Offset clause in DPP 2008

661. SHRI SANTOSH BAGRODIA:
SHRI HARISH RAWAT:

Will the Minister of DEFENCE be pleased to state:

(a) the details of the Offset clause in the recent Defence Procurement Procedures (DPP) 2008;

(b) whether it is a fact that the global arms suppliers have indicated reservations over the Offset clause;

(c) if so, the details thereof; and

(d) whether it is a fact that the Government proposes to make change in DPP 2006 to address the reservations of the suppliers and if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (d) Government promulgated Defence Procurement Procedure (DPP) 2006 with effect from 1st September, 2006 to ensure expeditious procurement of the approved requirements of the Armed Forces in terms of capabilities sought and time frame prescribed. Procedure for implementing Offset Provisions is part of DPP-2006 and provides for discharge of offset obligations directly by any combination of the following methods:

(i) Direct purchase of, or executing export orders for, defence products and components manufactured by, or services provided by, Indian defence industries, i.e. Defence Public Sector Undertakings, the Ordnance Factory Board, and any private defence industry manufacturing these products or components under an industrial licence granted for such manufacture. For the purpose of defence offset, "services" will mean maintenance, overhaul, upgradation, life extension, engineering, design, testing, defence related software or quality assurance services.

(ii) Direct foreign investment in Indian defence industries for industrial infrastructure for services, co-development, joint ventures and co-production of defence products.

(iii) Direct foreign investment in Indian organizations engaged in research in Defence Research & Development as certified by Defence Offset Facilitation Agency (DOFA).

DPP-2006 provides for review of the procurement procedure after every two years in the light of the practical experience gained in its implementation.

Vendors have not expressed any reservation to the Offset clause, though they have given few suggestions.

Naxal attacks in the country

662. DR. M.A.M. RAMASWAMY: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Naxal attacks in various States have increased manifold in recent times;